

Q1 2024

Results Presentation



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Q1 2024 at a glance



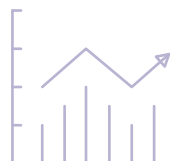
Satisfactory Q1 EBITDA of €111 million,
despite challenging conditions



Strong cash generation of €188 million,
supported by **inventory reduction**



Net debt at €234 million, 31% lower than that of Q4 2023



Outlook: We expect Q2 EBITDA to be slightly higher than in Q1

Contribution to circular economy and sustainable development

2030 sustainability targets



Eco-efficiency
and
climate change
mitigation

GHG emissions (Scopes 1 & 2): 8% reduction [2030 target: 20% intensity reduction from 2015 baseline]

Water withdrawal: 40% reduction [2030 target: 20% intensity reduction from 2015 baseline]

Energy(*): 3% increase [2030 target: 7.5 % intensity reduction from 2015 baseline]



Engaged team,
culture, diversity,
and safety

Safety: 3% reduction from FY 2023 [target: 26% YoY reduction in TIR]

Diversity: 13.5% women [2030 target: women account for 15% of workforce]



Circular economy and
sustainable products

Waste reduction: 83% valorization [2030 target: 90% valorization]

Recycling
100% of:

Grinders / Oily paper / Oil (decantation, flame-retardant and hydraulic) / Process scrap & metal recovered / Machined electrodes / Paper / Plastic / Cardboard / Others

360° Positive Impact Plan



Most significant
sustainability initiatives
in Q1 2024



Eco-efficiency and
climate change
mitigation

- Electrification: gas boilers, mobility devices, etc.
- Increased renewable electricity use



Circular economy and
sustainable products

- Analyzed new applications of neutralization sludge



Committed team,
culture, diversity,
and safety

- Management by objectives (MBO)
- Implemented EHS tool for incident reporting



Supply chain and
impact in the
community

- ESG supplier risk procedure
- Provided accommodations for refugees



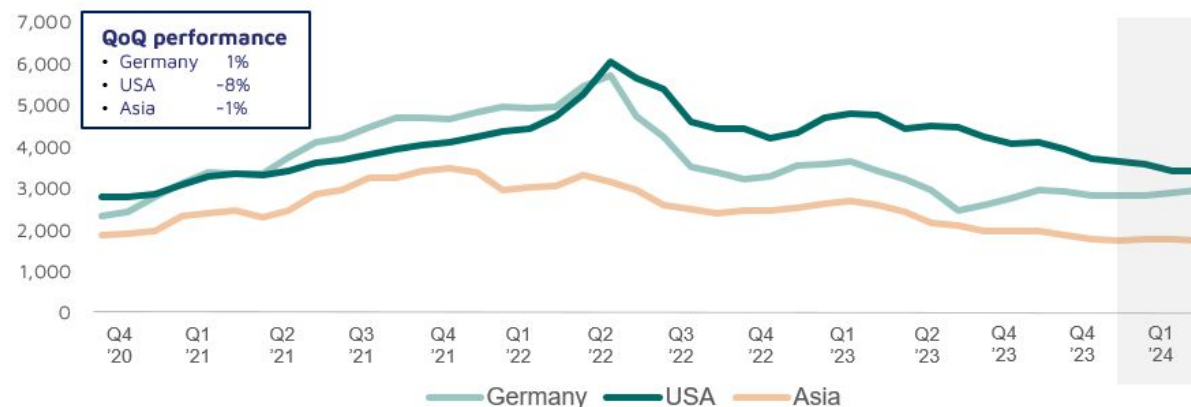
Ethical, responsible,
and transparent
governance

- Updated Compliance Policy

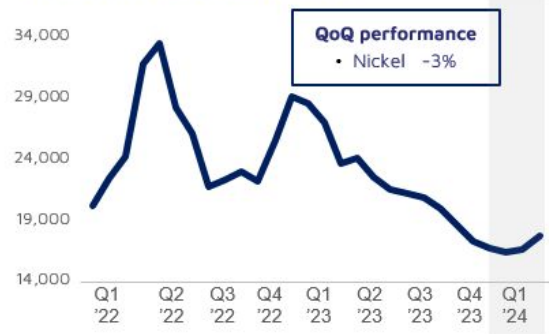
(*) Low capacity utilization impacted this KPI

Q1 2024: Market Highlights

Prices stainless steel (AISI 304), USD/ton



Nickel, USD/ton



Ferrochrome, USD/ton



Sources: CRU, LME.

STAINLESS STEEL

USA

- Apparent demand of flat products up 8% in 2024 through February
- Inventories below historical average
- Imports of flat products market share: 25% in 2024 through February

EUROPE

- Apparent demand of flat products down 4% through February
- Inventories remain below historical average
- Imports of flat products market share: 15% in February
- Strikes in Acerinox Europa and Finland
- Prices increased during Q1 but remain at low levels

HIGH-PERFORMANCE ALLOYS (HPAs)

- **HPA market driven by strong demand**
- **Oil and gas (O&G)** and **aerospace** markets in a solid situation with high order books
- Demand in **chemical process industry (CPI)** market led by the hydrogen sector
- **Electronics and electrical engineering (E&E)** market is coming back after low demand last year.

● favorable ● challenging

Q1 2024: Consolidated group highlights



Q1 2024 EBITDA:
€111 million

Strong cash generation:
€188 million

NFD of €234 million

Adjusted LTM ROCE: 15%

	Q1 2024	Q1 2023	% Q1 24 / Q1 23	Q4 2023	% Q1 24 / Q4 23
Melting production (thousands of metric tons)	461	534	-14%	486	-5%
Net sales	1,481	1,782	-17%	1,529	-3%
EBITDA	111	226	-51%	96	15%
EBITDA margin	7%	13%		6%	
* Adjusted EBIT	71	182	-61%	52*	37%
Adjusted EBIT margin	5%	10%		3%	
EBIT	71	182	-61%	-105	-
EBIT margin	5%	10%		-7%	
Results before taxes and minorities	71	179	-60%	-111	-
Results after taxes and minorities	53	136	-61%	-119	-
Operating cash flow (before investments)	188	-19	-	260	-28%
Net financial debt	234	605	-61%	341	-31%

* Adjusted EBIT: Stripping out €156 million of Bahru Stainless impairment in Q4 2023

Q1 2024: Stainless steel highlights

Million EUR	Q1 2024	Q1 2023	% Q1 24 / Q1 23	Q4 2023	% Q1 24 / Q4 23
Melting production (thousands of metric tons)	440	515	-15%	468	-6%
Net sales	1,109	1,476	-25%	1,166	-5%
EBITDA	80	197	-59%	50	59%
EBITDA margin	7%	13%		4%	
Amortization and depreciation	-32	-35	-8%	-35	-8%
* Adjusted EBIT	49	161	-70%	15*	219%
Adjusted EBIT margin	4%	11%		1%	
EBIT	49	161	-70%	-141	-
EBIT margin	4%	11%		-12%	
Operating cash flow (before investments)	112	113	-1%	179	-37%



Q1 results impacted
by the strike at
Acerinox Europa

Q1 EBITDA: €80 million
Acerinox Europa: €-31 million

Q1 operating cash flow:
€112 million

Efficient
working capital
management

* Adjusted EBIT: Stripping out €156 million of Bahru Stainless impairment in Q4 2023

Q1 2024: High-performance-alloys highlights



Q1 EBITDA:
€31 million

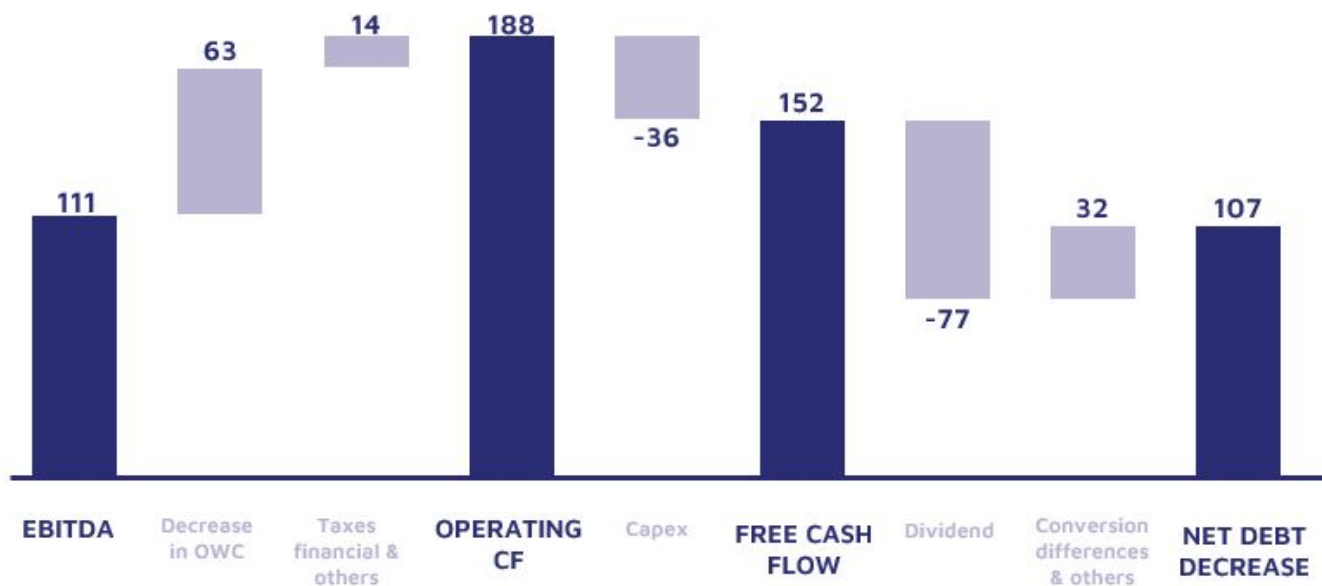
Operating working capital
decreased by €52 million

Operating cash flow:
€76 million

Million EUR	Q1 2024	Q1 2023	% Q1 24 / Q1 23	Q4 2023	% Q1 24 / Q4 23
Melting production (thousands of metric tons)	21	19	9%	18	14%
Net sales	378	305	24%	366	3%
EBITDA	31	29	7%	46	-33%
EBITDA margin	8%	9%		13%	
Amortization and depreciation	-7	-6	12%	-6	-10%
EBIT	25	23	8%	40	-38%
EBIT margin	7%	8%		11%	
Operating cash flow (before investments)	76	-132	-	81	-6%

Q1 2024: Capital allocation

Q1 *Million EUR*



Q1 Highlights

Solid operating cash flow (OCF):
€188 million

Dividend payment in Q1:
€77 million

Strong debt reduction:
€107 million

Acerinox strategy: A new platform in the USA



HAYNES
International

VDM Metals
A company of ACERINOX



**Strengthening leadership
in **Alloys****



**Strengthening leadership
in **America****



**Strengthening our
position in **Aerospace****



USA antitrust: Approved



**Haynes special shareholders' meeting:
Approved**



Other regulatory approval: Pending



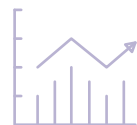
Deal expected to close: Q3 2024

Conclusions & outlook



01

Acerinox obtained
a **satisfactory EBITDA**
in Q1 2024



02

Strong cash generation:
Net financial debt €234 million



03

Increased shareholder return
to €0.62 per share in 2024
(6% dividend yield as of today)



04

Stainless:
Our order book in America
improving QoQ
European market remains weak
HPAs:
Order book remains strong



05

Update on Haynes acquisition:

- Green light US antitrust and Haynes shareholders
- Expected to close in Q3 2024



06

We expect **Q2 EBITDA**
to be **slightly better** than
that of Q1 2024

Alternative Performance Measures (Definitions)

Beyond Excellence: Operational excellence program for 2024 to 2026. These initiatives will be based on digital transformation, interdisciplinary collaboration, and a commitment to innovation

Excellence 360° Plan: Estimated efficiency savings for the period of 2019 to 2023

Operating working capital: Inventories + trade receivables – trade payables

Net cash flow: Profit/(loss) after tax and minorities + depreciation and amortization

NFD, Net financial debt: Bank borrowings + bond issuance – cash

Net financial debt / EBITDA: Net financial debt / annualized EBITDA

EBIT: Operating income

Adjusted EBIT: EBIT, disregarding material extraordinary items

EBITDA: Operating income + depreciation and amortization + variation of current provisions + asset impairment

Adjusted EBITDA: EBITDA, disregarding material extraordinary items

TIR: Total incident rate, (Total accidents) * 1.000.000 / Number of hours worked

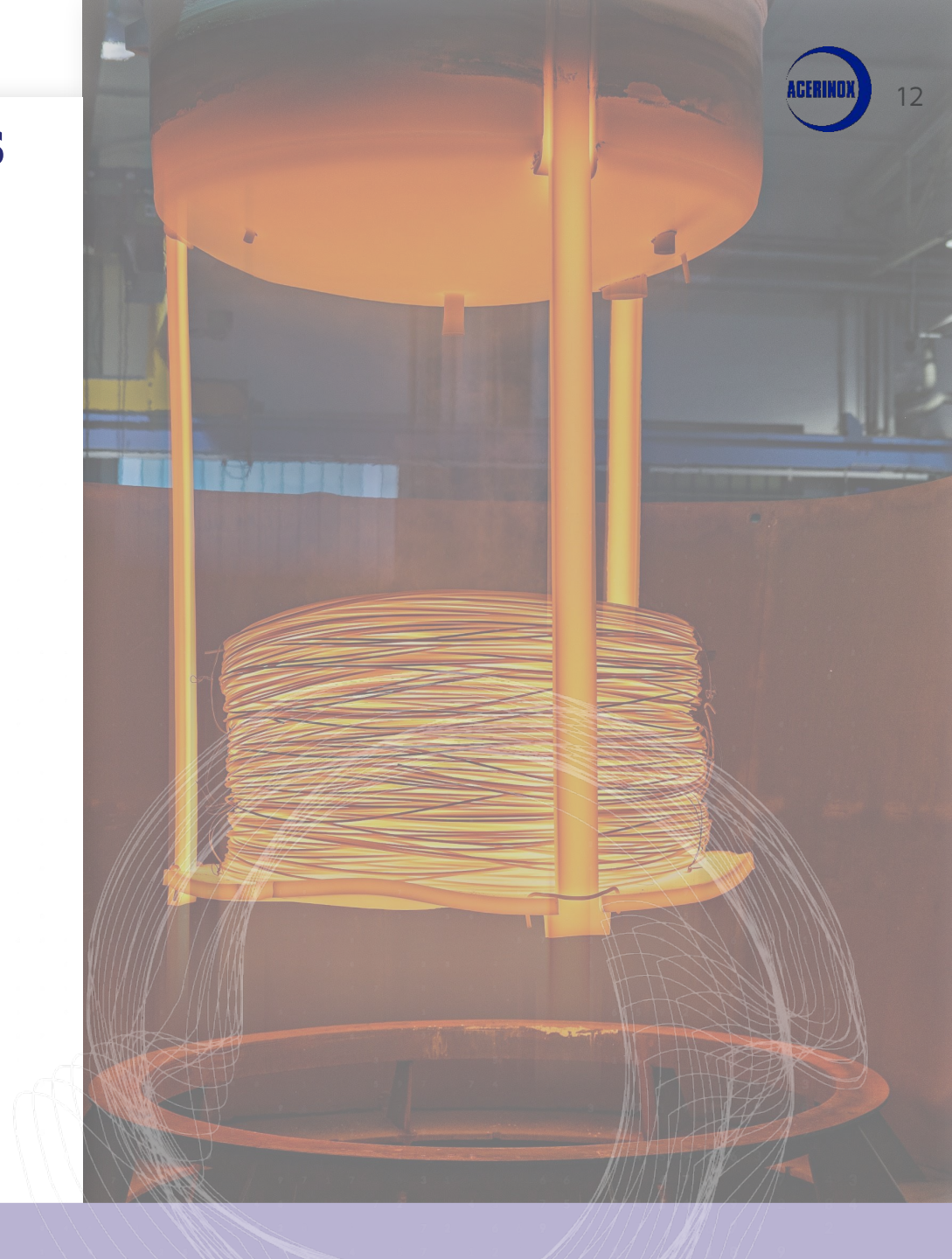
Gearing ratio (Debt ratio): Net financial debt / equity

Net financial result: Financial income – financial expenses ± exchange rate variations

ROCE: Net operating income / (equity + net financial debt)

ROE: Profit/(loss) after tax and minorities / equity

ICR (interest coverage ratio): EBIT / financial expenses





Q&A

Q1 2024 Results Presentation

